
Appropriations Committee

HB 3175

Brief Description: Providing financial assistance to counties.

Sponsors: Representatives Grant, Chandler, Mastin, Hatfield, Buck, Linville and Kessler.

Brief Summary of Bill

- Creates the non-appropriated County Assistance Account and directs \$5.6 million per year from liquor sales tax proceeds into the account.
- Creates the County Financial Assistance Advisory Council (Council) within the Department of Community, Trade and Economic Development to make disbursement recommendations from the County Assistance Account for those counties with a tax base insufficient to provide basic county services.
- Requires the Department of Community, Trade and Economic Development to administer a grant program taking into consideration the Council's recommendations.

Hearing Date: 2/9/04

Staff: Amy Skei (786-7140).

Background:

The proceeds from sales taxes on liquor are deposited into the state general fund, the liquor excise tax fund, the health services account, and the violence reduction and drug enforcement account based on a formula outlined in statute. Deposits in the liquor excise tax fund are primarily distributed to counties, cities, and towns.

The Department of Community, Trade and Economic Development (CTED) currently administers a variety of local government assistance programs.

Summary of Bill:

The County Assistance Account is created. Monthly proceeds of \$470,000 from the portions of the state sales tax on liquor that currently go to the general fund and the liquor excise tax fund are redirected to the County Assistance Account. Beginning July 1, 2005, this amount must be increased annually by the fiscal growth factor. The account will receive its proportionate share of interest earnings. Expenditures from the non-appropriated account may be made only at the direction of the CTED director.

The County Financial Assistance Advisory Council is created in the CTED. The Council consists of four legislators, two representatives of the Washington State Association of Counties, and a chairperson appointed by the Governor.

The Council must determine which counties have a tax base insufficient to provide basic services, determine county allocations from the county assistance account, and make annual recommendations to the CTED on grants to the counties.

From moneys deposited in the County Assistance Account, the CTED shall administer a grant program to the counties, taking into consideration the recommendations of the Council. Counties are eligible for grant moneys only if they had a budget decrease of 6 percent or greater due to the repeal of the Motor Vehicle Excise Tax.

Appropriation: None.

Fiscal Note: Requested on February 4, 2004.

Effective Date: The bill takes effect on July 1, 2004; however, the bill takes effect only if House Bill 2062, regarding the Liquor Control Board's retail business plan implementation and Sunday sales of liquor, is enacted by the same date.